

DEPARTMENT OF STATE REVENUE

LETTER OF FINDINGS NUMBER: 00-0364P

Income Tax Penalty
Calendar Year 1997

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ISSUE(S)

I. **Tax Administration** – Penalty

Authority: IC 6-8.1-10-2.1(d); 45 IAC 15-11-2

Taxpayer protests the penalty assessed.

STATEMENT OF FACTS

Taxpayer, in a letter dated August 24, 2000 protested the penalty assessed for 1997.

I. **Tax Administration** - Penalty

DISCUSSION

Taxpayer was assessed a negligence penalty for failure to timely pay its entire tax liability by the due date of the return. \$43,600, due by April 15, 1998 was not received until October 14, 1998.

Taxpayer states it employs a "Big Five" accounting firm to prepare its state tax returns and submit payments as soon as it is notified to do so. Taxpayer further states that due to an omission in the extension calculation for 1997, there was a shortfall in payment that was not recognized until the preparation of the return. Taxpayer states that it has been assured by its accountants that such an error will never take place in the future. Taxpayer requests the penalty be considered for abatement.

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Taxpayer was several months late in paying all of its tax liability. Overlooking the tax due upon filing a return is not considered reasonable cause.

The department finds that a negligence penalty is proper.

FINDING

Taxpayer's protest is denied.

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